

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name DUNDEE TOWNSHIP	County MONROE
Fiscal Year End 03/31/2007	Opinion Date JULY 12, 2007	Date Audit Report Submitted to State AUGUST 22, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

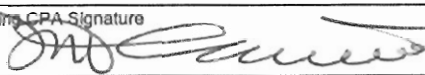
YES ☒ NO ☐

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) COOLEY HEHL WOHLGAMUTH & CARLTON, PLLC		Telephone Number 734-241-7200	
Street Address 1 SOUTH MONROE STREET		City MONROE	State MI
		Zip 48161	
Authorizing CPA Signature 	Printed Name PETER H. CARLTON		License Number 1101009575

TOWNSHIP OF DUNDEE
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

March 31, 2007

TOWNSHIP OF DUNDEE

Table of Contents *March 31, 2007*

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	12-13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15-16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Agency Fund - Statement of Fiduciary Net Assets	18
Notes to Financial Statements	19-31
Required Supplemental Information:	
General Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	32-33
Fire Millage Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	34
Other Supplemental Information:	
Meanwell/Eggert Road Water Debt Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	35
Dixon Road Water Debt Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	36
Irish/Meanwell Road Water Debt Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	37
Wells Road Water Debt Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	38

TOWNSHIP OF DUNDEE

Table of Contents (Concluded) *March 31, 2007*

Other Supplemental Information (Concluded):

Road Millage Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual	39

Nonmajor Governmental Funds:

Combining Balance Sheet	40-41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	42-43

Liquor Law Enforcement Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances	
- Budget and Actual	44

Improvement Revolving Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances	
- Budget and Actual	45

Perpetual Care Cemetery Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances	
- Budget and Actual	46

Irish/Meanwell Road Water Construction Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances	47
---	----

Wells Road Water Construction Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances	
- Budget and Actual	48

Leib Cemetery Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balances	
- Budget and Actual	49

Agency Fund:

Statement of Changes in Assets and Liabilities	50
--	----



**COOLEY HEHL
WOHLGAMUTH & CARLTON**
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA
David K. Hehl, CPA
Robert W. Wohlgamuth, CPA
Peter H. Carlton, CPA
Matthew D. Hehl, CPA
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48161-2281
Telephone: (734) 241-7200 • Fax: (734) 241-2637
www.chwccpa.com

Members:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants
Division for CPA Firms American Institute of
Certified Public Accountants

Independent Auditor's Report

Township Board
Township of Dundee
Monroe County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Dundee, Monroe County, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Dundee, Monroe County, Michigan management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Dundee, Monroe County, Michigan as of March 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 32 through 34, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Township Board
Township of Dundee

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Dundee, Monroe County, Michigan basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Coolcy Hehl Wohlgamuth & Carlton

July 12, 2007

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis Year Ended March 31, 2007

This section of the Township of Dundee's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2007. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Fund and Permanent Fund.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Township of Dundee financially as a whole. The ***Government-Wide Financial Statements***, which include the statement of Net Assets and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** report the Township's operations in more detail than the ***Government-Wide Financial Statements*** by providing information about the Township's most significant funds – the General Fund, the Fire Millage Special Revenue Fund, the Meanwell/Eggert Road, Dixon Road, Irish/Meanwell Road and Wells Road Water Debt Funds, and Road Millage Capital Projects Fund. All other funds are presented in one column as nonmajor funds. The remaining statements, the Statement of Fiduciary Net Assets, presents financial information about activities for which the Township acts solely as an agent for the benefit of the public. The following summary illustrates how the various parts of this annual report are arranged:

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

Government-Wide Financial Statements *Fund Financial Statements*

Notes to the Basic Financial Statements

*Budgetary Information for Major Funds
(Required Supplemental Information)*

Other Supplemental Information

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities (pages 10-11), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis *Year Ended March 31, 2007*

Government-Wide Financial Statements -Concluded

One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The Statement of Net Assets and Statement of Activities report the governmental activities for the Township, which encompass all of the Township's services, including general government services, public safety, public works, culture and recreation. Property taxes, state grants, charges for services, and capital contributions finance most of these activities.

Fund Financial Statements

The Township's Fund Financial Statements (pages 12-18) provide detailed information about the most significant or "major" funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

Governmental funds – All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 14 and 17.

Fiduciary funds – An Agency Fund is used to account for assets held by the Township as an agent for the collection and disbursement of property taxes.

Financial Highlights

The 2006-2007 fiscal year brought many improvements to the Township:

- ◆ Asphalt paving projects occurred on Wells Road and Meanwell Road.
- ◆ The Wilcox Road Bridge was selected as a critical bridge project.
- ◆ Stowell Road and Bigelow Road reconstruction began. This project will span three years.
- ◆ The Township continued to upgrade their fire trucks with a purchase of a 2006 Pierce Combination Pumper.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis *Year Ended March 31, 2007*

Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of March 31, 2007:

Table 1:

Condensed Statement of Net Assets March 31,

	Governmental Activities	
	2007	2006
Current and other assets	\$3,259,279	\$3,161,237
Capital assets, net	<u>2,229,517</u>	<u>2,034,719</u>
Total Assets	<u>5,488,796</u>	<u>5,195,956</u>
Current and other liabilities	124,712	192,935
Long-term liabilities	<u>1,380,000</u>	<u>1,460,000</u>
Total Liabilities	<u>1,504,712</u>	<u>1,652,935</u>
Net Assets		
Invested in capital assets, net of related debt	769,517	420,370
Restricted	2,550,210	2,596,382
Unrestricted	<u>664,357</u>	<u>526,269</u>
Total Net Assets	<u>\$3,984,084</u>	<u>\$3,543,021</u>

As depicted in Table 1, the Township's net assets were \$3.98 million at March 31, 2007. Of this amount, a positive \$664,357 was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future growth and uncertainties. It means that if we had to pay off all our bills *today*, including all of our noncapital liabilities we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities. Table 2 shows the changes in the net assets for the calendar year ended March 31, 2007.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis Year Ended March 31, 2007

Governmental-Wide Financial Analysis - Concluded

Table 2:

Changes in Net Assets Year Ended March 31,

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
Revenues		
Program revenues:		
Charges for services	\$ 211,409	\$ 197,220
Operating grants	923	908
Capital grants and contributions	<u>22,840</u>	<u>822,547</u>
	<u>235,172</u>	<u>1,020,675</u>
General revenues:		
Property taxes	938,546	786,113
State grants	199,031	199,209
Other general revenues	<u>147,649</u>	<u>126,714</u>
	<u>1,285,226</u>	<u>1,112,036</u>
 Total Revenues	 1,520,398	 2,132,711
Functions/Program Expenses		
Legislative	30,527	31,439
General government	356,154	344,879
Public safety	267,567	250,704
Public works	343,904	496,102
Recreation and culture	22,597	19,699
Interest on long-term debt	<u>58,586</u>	<u>62,147</u>
 Total Expenses	 <u>1,079,335</u>	 <u>1,204,970</u>
 Increase (Decrease) in Net Assets	 <u>\$ 441,063</u>	 <u>\$ 927,741</u>

As indicated in Table 2, the cost of *all governmental* activities this year was \$1,079,335. Of this amount, \$235,172 was subsidized with revenue generated from charges for services, grants and other contributions with the remaining costs financed with general revenues.

The Township's governmental activities experienced an increase in net assets of \$441,063. The increase in total net assets is attributable to an excess of revenue over controlled expenditures. The current year's decrease in revenue is due to one factor. The prior year's revenue included the Irish Meanwell and the Wells Road water district special assessment revenue.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis *Year Ended March 31, 2007*

Fund Financial Analysis

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township of Dundee is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$2,309,152, which is an increase of \$139,810 from last year. The changes by fund type are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Retirement Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Fund</u>	<u>Total</u>
Fund balances – Beginning of year	\$373,764	\$548,585	\$645,814	\$594,043	\$7,136	\$2,169,342
Increase (decrease)	<u>100,512</u>	<u>(75,206)</u>	<u>8,753</u>	<u>105,956</u>	<u>(205)</u>	<u>139,810</u>
Fund balances – End of year	<u>\$474,276</u>	<u>\$473,379</u>	<u>\$654,567</u>	<u>\$699,999</u>	<u>\$6,931</u>	<u>\$2,309,152</u>

The Township's General Fund revenues increased by \$68,183. Tax revenues were up approximately \$62,000 while licenses and permits, and federal grants both decreased.

	<u>March 31, 2007</u>	<u>March 31, 2006</u>	<u>Percent Change</u>
Revenues			
Property taxes	\$340,733	\$278,334	22.42 %
Licenses and permits	32,294	40,949	(21.14)%
Federal grants	0	10,507	(100.00) %
State grants	199,031	199,209	(0.09)%
Charges for services	178,795	155,991	14.62 %
Interest and rents	21,670	17,205	25.95 %
Other	<u>11,381</u>	<u>13,526</u>	(15.86)%
Total revenues	<u>\$783,904</u>	<u>\$715,721</u>	9.53 %

The Township's General Fund expenditures increased \$29,405. Public safety experienced the largest increase at \$15,774 due to equipment purchases and maintenance.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis Year Ended March 31, 2007

Fund Financial Analysis – Concluded

	<u>March 31, 2007</u>	<u>March 31, 2006</u>	<u>Percent Change</u>
Expenditures			
Legislative	\$ 26,875	\$ 28,277	(4.96)%
General government	295,800	274,140	7.90 %
Public safety	169,123	153,349	10.29 %
Public works	62,319	57,757	7.90 %
Recreation and culture	13,050	17,374	(24.89)%
Other	<u>86,225</u>	<u>93,090</u>	(7.37)%
Total Expenditures	<u>\$653,392</u>	<u>\$623,987</u>	4.71 %

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires the Township Board to adopt the original budget prior to April 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these statements. Revisions to the General Fund budget were as follows:

Revenues - The original budget of \$807,600 was adjusted to \$818,557. No material changes or unanticipated changes were made to the General Fund revenue budget.

Expenditures – The original budget of \$745,300 was adjusted to \$734,620. The most significant expenditure budget change was to assessor expenditures which decreased \$5,250.

Capital Asset and Debt Administration

Capital Assets

At March 31, 2007, the Township had \$3.3 million invested in a broad range of capital assets, including land, building and improvements, machinery and equipment, furniture and fixtures, water lines and vehicles. This amount represents a net increase (including additions and disposals) of \$320,988 from last year. This year's additions included five new desktop computers, building and land improvements, a generator, and a new fire truck. Depreciation for this year totaled \$126,190. Details regarding capital assets are included in Note 7 to the financial statements.

TOWNSHIP OF DUNDEE

Management's Discussion and Analysis Year Ended March 31, 2007

Capital Asset and Debt Administration - Concluded

Debt

At March 31, 2007, the Township had four special assessment bonds outstanding totaling \$1,460,000 (Dixon Road Water - \$230,000, Meanwell/Eggert Road Water - \$385,000, Wells Road Water - \$320,000, and Irish/Meanwell Road Water - \$525,000). Details regarding long-term debt are included in Note 8 to the financial statements.

Development of the 2008 Fiscal Year Budget

Our elected officials consider many factors when setting the Township's 2008 fiscal year budget. Based primarily on the last fiscal year's spending patterns, thought is also given to important factors affecting the budget, such as State budget constraints and various needs of the Township. In the 2008 fiscal year numerous improvements are budgeted. The Building department will upgrade its computer system for \$1,995. The Stowell and Bigelow Road projects first year payment is budgeted at \$118,072. The fire department's final payment on the 2006 Pierce Triple Combination Pumper truck will be \$163,781.

Contacting the Township of Dundee

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have any questions about this report or need additional information, contact the Township of Dundee Clerk, 179 Main Street, Dundee, MI 48131.

TOWNSHIP OF DUNDEE*Statement of Net Assets
March 31, 2007*

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$1,508,124
Certificate of deposit	670,741
Receivables:	
Taxes	49,835
Accounts	6,024
Special assessments	991,546
Due from other governmental units	33,009
Depreciable capital assets, net	<u>2,229,517</u>
 Total Assets	 <u>5,488,796</u>
Liabilities	
Accounts payable	20,459
Accrued interest payable	24,253
Long-term liabilities:	
Due within one year	80,000
Due in more than one year	<u>1,380,000</u>
 Total Liabilities	 <u>1,504,712</u>
Net Assets	
Invested in capital assets, net of related debt	769,517
Restricted for:	
Public safety	263,557
Debt service	1,559,981
Capital projects funds	699,999
Cemetery care:	
Expendable	19,742
Non-expendable	6,931
Unrestricted	<u>664,357</u>
 Total Net Assets	 <u><u>\$3,984,084</u></u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

Statement of Activities *Year Ended March 31, 2007*

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Activities
Governmental Activities:				
Legislative	\$30,527	\$0	\$0	\$0
General government	356,154	178,795	255	0
Public safety	267,567	32,614	668	0
Public works	343,904	0	0	22,840
Recreation and culture	22,597	0	0	0
Interest on long-term debt	58,586	0	0	0
Total Governmental Activities	\$1,079,335	\$211,409	\$923	\$22,840
General Revenues:				
Property taxes				938,546
State grants				199,031
Interest and penalties				124,135
Other				23,514
Total General Revenues				1,285,226
Change in Net Assets				441,063
Net Assets - Beginning of year				3,543,021
Net Assets - End of year				\$3,984,084

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

*Governmental Funds
Balance Sheet
March 31, 2007*

	Special Revenue Fund		Debt Service Funds	
	General	Fire Millage	Meanwell / Eggert Road Water Debt	Dixon Road Water Debt
Assets				
Cash and cash equivalents	\$417,367	\$256,142	\$82,318	\$48,479
Certificate of deposit	0	0	103,996	51,998
Receivables:				
Taxes	21,024	12,578	0	0
Accounts	6,024	0	0	0
Special assessments	0	0	245,788	152,321
Due from other funds	11,763	0	0	0
Due from other governmental units	33,009	0	0	0
 Total Assets	 \$489,187	 \$268,720	 \$432,102	 \$252,798
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$14,911	\$0	\$0	\$0
Due to other funds	0	7,077	766	0
Deferred revenue	0	0	230,535	138,507
 Total Liabilities	 14,911	 7,077	 231,301	 138,507
Fund Balances				
Reserved for debt service	0	0	200,801	114,291
Reserved for capital projects	0	0	0	0
Reserved for cemetery care	0	0	0	0
Reserved for Leib Cemetery	0	0	0	0
Unreserved - reported in:				
General Fund	474,276	0	0	0
Special Revenue Funds	0	261,643	0	0
 Total Fund Balances	 474,276	 261,643	 200,801	 114,291
 Total Liabilities and Fund Balances	 \$489,187	 \$268,720	 \$432,102	 \$252,798

See accompanying notes to the basic financial statements.

		Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Irish / Meanwell Road Water Debt	Wells Road Water Debt	Road Millage		
\$89,321	\$41,711	\$479,040	\$93,746	\$1,508,124
89,932	85,700	209,619	129,496	670,741
0	0	16,233	0	49,835
0	0	0	0	6,024
370,717	222,720	0	0	991,546
0	0	0	0	11,763
0	0	0	0	33,009
<u>\$549,970</u>	<u>\$350,131</u>	<u>\$704,892</u>	<u>\$223,242</u>	<u>\$3,271,042</u>
\$0	\$0	\$5,548	\$0	\$20,459
0	0	3,398	522	11,763
349,682	210,944	0	0	929,668
349,682	210,944	8,946	522	961,890
200,288	139,187	0	0	654,567
0	0	695,946	4,053	699,999
0	0	0	19,742	19,742
0	0	0	6,931	6,931
0	0	0	0	474,276
0	0	0	191,994	453,637
<u>200,288</u>	<u>139,187</u>	<u>695,946</u>	<u>222,720</u>	<u>2,309,152</u>
<u>\$549,970</u>	<u>\$350,131</u>	<u>\$704,892</u>	<u>\$223,242</u>	<u>\$3,271,042</u>

TOWNSHIP OF DUNDEE

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets *March 31, 2007*

Total Fund Balances - Governmental Funds		\$2,309,152
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	3,301,822	
Accumulated depreciation	<u>(1,072,305)</u>	2,229,517
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds.		929,668
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest	(24,253)	
Bonds payable	<u>(1,460,000)</u>	<u>(1,484,253)</u>
Total Net Assets - Governmental Activities		<u>\$3,984,084</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances Year Ended March 31, 2007

	Special Revenue Fund		Debt Service Funds	
	General	Fire Millage	Meanwell / Eggert Road Water Debt	Dixon Road Water Debt
Revenues				
Property taxes and special assessments	\$340,733	\$261,021	\$16,823	\$13,440
Licenses and permits	32,294	0	0	0
State grants	199,031	0	0	0
Charges for services	178,795	0	0	0
Interest and rents	21,670	11,359	20,303	11,426
Other revenue	11,381	0	0	0
Total Revenues	783,904	272,380	37,126	24,866
Expenditures				
Legislative	26,875	0	0	0
General government	295,800	0	0	0
Public safety	169,123	383,094	0	0
Public works	62,319	0	0	0
Recreation and culture	13,050	0	0	0
Other	86,225	0	0	0
Capital projects	0	0	0	0
Debt service	0	0	35,240	25,615
Total Expenditures	653,392	383,094	35,240	25,615
Excess (Deficiency) of Revenues Over Expenditures	130,512	(110,714)	1,886	(749)
Other Financing Sources (Uses)				
Operating transfers in	0	0	0	0
Operating transfers out	(30,000)	0	0	0
Total Other Financing Sources (Uses)	(30,000)	0	0	0
Net Change in Fund Balances	100,512	(110,714)	1,886	(749)
Fund Balances - Beginning of year	373,764	372,357	198,915	115,040
Fund Balances - End of year	\$474,276	\$261,643	\$200,801	\$114,291

See accompanying notes to the basic financial statements.

		Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Irish / Meanwell Road Water Debt	Wells Road Water Debt	Road Millage		
\$30,651	\$11,776	\$336,792	\$0	\$1,011,236
0	0	0	320	32,614
0	0	0	668	199,699
0	0	0	0	178,795
23,686	16,190	23,453	8,436	136,523
0	0	0	0	11,381
54,337	27,966	360,245	9,424	1,570,248
0	0	0	0	26,875
0	0	0	3,580	299,380
0	0	0	517	552,734
0	0	0	0	62,319
0	0	0	0	13,050
0	0	0	0	86,225
0	0	254,313	0	254,313
46,201	28,486	0	0	135,542
46,201	28,486	254,313	4,097	1,430,438
8,136	(520)	105,932	5,327	139,810
0	0	0	30,000	30,000
0	0	0	0	(30,000)
0	0	0	30,000	0
8,136	(520)	105,932	35,327	139,810
192,152	139,707	590,014	187,393	2,169,342
\$200,288	\$139,187	\$695,946	\$222,720	\$2,309,152

TOWNSHIP OF DUNDEE

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended March 31, 2007*

Net Change in Fund Balances - Total Governmental Funds		\$139,810
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense.		
Depreciation expense	(126,190)	
Capital outlay	<u>320,988</u>	
		194,798
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.		1,956
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		(49,850)
Repayments of long term debt is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt).		<u>154,349</u>
Change in Net Assets of Governmental Activities		<u><u>\$441,063</u></u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

Agency Fund
Statement of Fiduciary Net Assets
March 31, 2007

	<u>Tax Collection</u>
Assets	
Cash	<u>\$3,404</u>
Total Assets	<u><u>\$3,404</u></u>
Liabilities	
Due to other governmental units	\$2,963
Due to taxing units	<u>441</u>
Total Liabilities	<u><u>\$3,404</u></u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF DUNDEE

Notes to Financial Statements *Year Ended March 31, 2007*

Note 1 Description of the Township and Reporting Entity

The Township operates under a locally elected seven member Board form of government and provides the following services: public safety (fire), highways and streets, recreation and culture, public improvements, cemetery, planning and zoning, and general administrative services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

Note 2 Summary of Significant Accounting Policies

The financial statements of the Township of Dundee have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Council (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

Basis of Presentation

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. All of the Township's government-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, sales of property, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds, and agency funds, even though the latter are excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF DUNDEE

Notes to Financial Statements *Year Ended March 31, 2007*

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

On the governmental funds statements, property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Fire Millage Fund - accounts for moneys from a voted tax levy to be used to provide fire protection equipment for the Township of Dundee Fire Department.

The Meanwell/Eggert Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Meanwell/Eggert Road.

The Dixon Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Dixon Road.

The Irish/Meanwell Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Irish/Meanwell Road.

The Wells Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Wells Road.

The Road Millage Fund accounts for monies from a voted tax levy to be used for improvements to the Township's roads and bridges.

TOWNSHIP OF DUNDEE

*Notes to Financial Statements
Year Ended March 31, 2007*

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Township reports the following nonmajor governmental funds:

The Liquor Law Enforcement Fund, Improvement Revolving Fund, Cemetery Perpetual Care Fund, Irish/Meanwell Road Water Construction Fund, Wells Road Water Construction Fund, and Leib Cemetery Fund.

C. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent July 31, and winter taxes are considered delinquent February 14 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond March 31, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of one thousand dollars and an estimated useful life in excess of one year. The Township has elected not to retroactively report infrastructure assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvement	20 years
Buildings and Buildings Improvements	10-50 years
Machinery and Equipment	3-10 years
Furniture and Fixtures	7 years
Vehicles	5- 8 years
Water Lines	50 years

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net assets.

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2007

Note 2

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Assets or Equity (Concluded)

Accrued Liabilities and Long-Term Obligations -All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds are recognized as an expenditure on the governmental fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Reserves and Designations - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

- D. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.
- E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2007.
- F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

TOWNSHIP OF DUNDEE

*Notes to Financial Statements
Year Ended March 31, 2007*

Note 2 Summary of Significant Accounting Policies (Concluded)

Basis of Presentation (Concluded)

F. Budgetary Policies (Concluded)

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to March 31, the fiscal officer submits to the Township Board a proposed operating budget for the fiscal year commencing on April 1.
2. A public hearing is conducted during March to obtain taxpayer comments.
3. Prior to March 31, the budget is legally enacted through passage of a resolution.
4. During the year the budget is monitored, and amendments to the budget are made when deemed necessary.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Lapsing of Appropriations - At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

Note 3 Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

Note 4 Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan. The Township Board has adopted an investment policy authorizing certain types of investments and has authorized three depositories: Monroe Bank and Trust, United Bank and Trust, and LaSalle Bank.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At March 31, 2007, the Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2007

Note 4 Deposits (Concluded)

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest rate risk. The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

Concentration of credit risk. The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

Custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$2,220,750 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$300,000, with uninsured deposits of \$1,920,750. The Township's deposits are at institutions with an established record of fiscal health and service. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

Foreign currency risk. The Township is not authorized to invest in investments which have this type of risk.

Note 5 Interfund Payables and Receivables

Such balances at March 31, 2007 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$11,763	\$ -
Special Revenue Funds:		
Fire Millage	-	7,077
Cemetery Perpetual Care	-	52
Debt Service Fund:		
Meanwell/Eggert Road Water	-	766
Capital Project Fund:		
Road Millage	-	3,398
Permanent Fund:		
Leib Cemetery	-	470
Total	<u>\$11,763</u>	<u>\$11,763</u>

TOWNSHIP OF DUNDEE

*Notes to Financial Statements
Year Ended March 31, 2007*

Note 6 Interfund Transfers

Interfund transfers for the year ended March 31, 2007, consisted of the following:

	<u>Transfers Out</u> <u>General Fund</u>
Transfers In:	
Special Revenue Funds	
Improvement Revolving Fund	<u>\$30,000</u>

The transfer from the General Fund to the Improvement Revolving Fund was to set aside excess General Fund money for future Township improvements.

Note 7 Capital Assets

Capital asset activity for the fiscal year ended March 31, 2007, was as follows:

	<u>Balance</u> <u>April 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>March 31, 2007</u>
Governmental Activities:				
Assets not being depreciated:				
Land	\$45,000	\$0	\$0	\$45,000
Construction in progress	0	0	0	0
Capital assets being depreciated:				
Land improvements	14,325	4,026	0	18,351
Building and building improvements	635,076	7,538	0	642,614
Machinery and Equipment	233,841	9,424	0	243,265
Furniture and Fixtures	33,770	0	0	33,770
Vehicles	655,211	300,000	0	955,211
Water lines	<u>1,363,611</u>	<u>0</u>	<u>0</u>	<u>1,363,611</u>
Total capital assets	2,980,834	320,988	0	3,301,822
Less accumulated depreciation for:				
Land improvements	(7,200)	(918)	0	(8,118)
Building and building improvements	(271,421)	(14,972)	0	(286,393)
Machinery and Equipment	(114,342)	(30,076)	0	(144,418)
Furniture and Fixtures	(30,104)	(820)	0	(30,924)
Vehicles	(498,816)	(52,132)	0	(550,948)
Water lines	<u>(24,232)</u>	<u>(27,272)</u>	<u>0</u>	<u>(51,504)</u>
Total accumulated depreciation	<u>(946,115)</u>	<u>(126,190)</u>	<u>0</u>	<u>(1,072,305)</u>
Net capital assets	<u>\$2,034,719</u>	<u>\$194,798</u>	<u>\$0</u>	<u>\$2,229,517</u>

TOWNSHIP OF DUNDEE

*Notes to Financial Statements
Year Ended March 31, 2007*

Note 7 Capital Assets (Concluded)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$ 9,461
Public safety	79,910
Public works	27,272
Recreation and culture	<u>9,547</u>
 Total governmental activities	 <u>\$126,190</u>

Note 8 Long-Term Debt

The following is a summary of the long term debt as of March 31, 2007:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
<u>Special Assessment Bonds:</u>					
2003 Special Assessment Bonds (General Obligation Limited Tax) Dixon Road Water	4.375%	4/1/03	5/1/05-2018	\$ 275,000	\$ 230,000
2004A Special Assessment Bonds (General Obligation Limited Tax) Meanwell/Eggert Road Water	3.25-4.50%	2/1/04	5/1/06-2023	420,000	385,000
2004B Special Assessment Bonds (General Obligation Limited Tax) Wells Road Water	2.65-5.15%	12/1/04	5/1/06-2025	335,000	320,000
2005 Special Assessment Bonds (General Obligation Limited Tax) Irish/Meanwell Roads Water	2.85-4.45%	2/1/05	5/1/06-2025	<u>550,000</u>	<u>525,000</u>
 Total				 <u>\$1,580,000</u>	 <u>\$1,460,000</u>

TOWNSHIP OF DUNDEE

*Notes to Financial Statements
Year Ended March 31, 2007*

Note 8

Long-Term Debt (Continued)

The following is a summary of changes in long-term debt:

	<u>Balance 3/31/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/07</u>	<u>Due In One Year</u>
<u>Special Assessment Bonds:</u>					
2003 Special Assessment Bonds (General Obligation Limited Tax) Dixon Road Water	\$ 245,000	\$ -	\$ 15,000	\$ 230,000	\$15,000
 2004A Special Assessment (General Obligation Limited Tax) Meanwell/Eggert Road Water	 405,000	 -	 20,000	 385,000	 20,000
 2004B Special Assessment Bonds (General Obligation Limited Tax) Wells Road Water	 335,000	 -	 15,000	 320,000	 15,000
 2005 Special Assessment Bonds (General Obligation Limited Tax) Irish/Meanwell Roads Water	 550,000	 -	 25,000	 525,000	 30,000
<u>Obligations Under Capital Lease:</u>					
International Leasing Corporation Pierce Enforcer Pumper Truck Lease	<u>79,349</u>	<u>-</u>	<u>79,349</u>	<u>-</u>	<u>-</u>
	<u>\$1,614,349</u>	<u>\$ -</u>	<u>\$154,349</u>	<u>\$1,460,000</u>	<u>\$80,000</u>

The following is a summary of the annual principal and interest requirements for the Township debt:

2003 Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2002-1(Dixon Road). These bonds are a general obligation of the Township and are being financed through a special assessment of \$5,600 per residential equivalent unit, levied against homeowners benefitting from the construction.

TOWNSHIP OF DUNDEE

Notes to Financial Statements *Year Ended March 31, 2007*

Note 8 Long-Term Debt (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2008	\$ 15,000	\$ 9,734	\$ 24,734
2009	15,000	9,078	24,078
2010	20,000	8,313	28,313
2011	20,000	7,438	27,438
2012	20,000	6,563	26,563
2013	20,000	5,688	25,688
2014	20,000	4,813	24,813
2015	20,000	3,938	23,938
2016	20,000	3,063	23,063
2017	20,000	2,188	22,188
2018	20,000	1,313	21,313
2019	<u>20,000</u>	<u>438</u>	<u>20,438</u>
	<u>\$230,000</u>	<u>\$62,567</u>	<u>\$292,567</u>

2004A Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district 2003-1 (Meanwell and Eggert Roads). These bonds are a general obligation of the Township and are being financed through a special assessment of \$12,600 per residential equivalent unit levied against homeowners benefitting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2008	\$ 20,000	\$ 14,365	\$ 34,365
2009	20,000	13,715	33,715
2010	20,000	13,065	33,065
2011	20,000	12,415	32,415
2012	20,000	11,765	31,765
2013	20,000	11,115	31,115
2014	20,000	10,450	30,450
2015	20,000	9,755	29,755
2016	25,000	8,931	33,931
2017	25,000	7,975	32,975
2018	25,000	6,988	31,988
2019	25,000	5,975	30,975
2020	25,000	4,937	29,937
2021	25,000	3,875	28,875
2022	25,000	2,788	27,788
2023	25,000	1,681	26,681
2024	<u>25,000</u>	<u>563</u>	<u>25,563</u>
	<u>\$385,000</u>	<u>\$140,358</u>	<u>\$525,358</u>

TOWNSHIP OF DUNDEE

Notes to Financial Statements *Year Ended March 31, 2007*

Note 8

Long Term Debt (Continued)

2004B Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2004-1 (Wells Road). These bonds are a general obligation of the Township and are being financed through a special assessment of \$10,240 levied against homeowners benefitting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2008	\$ 15,000	\$ 13,074	\$ 28,074
2009	20,000	12,555	32,555
2010	15,000	12,014	27,014
2011	15,000	11,526	26,526
2012	20,000	10,930	30,930
2013	15,000	10,304	25,304
2014	15,000	9,730	24,730
2015	20,000	9,032	29,032
2016	15,000	8,316	23,316
2017	15,000	7,686	22,686
2018	20,000	6,932	26,932
2019	15,000	6,164	21,164
2020	15,000	5,489	20,489
2021	20,000	4,683	24,683
2022	15,000	3,861	18,861
2023	15,000	3,141	18,141
2024	20,000	2,283	22,283
2025	15,000	1,409	16,409
2026	<u>20,000</u>	<u>515</u>	<u>20,515</u>
	<u>\$320,000</u>	<u>\$139,644</u>	<u>\$459,644</u>

TOWNSHIP OF DUNDEE

Notes to Financial Statements Year Ended March 31, 2007

Note 8 Long Term Debt (Continued)

2005 Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2005-1 (Irish and Meanwell Roads). These bonds are a general obligation of the Township and are being financed through a special assessment of \$12,020 levied against homeowners benefitting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2008	\$ 30,000	\$ 20,130	\$ 50,130
2009	25,000	19,253	44,253
2010	30,000	18,330	48,330
2011	25,000	17,376	42,376
2012	30,000	16,385	46,385
2013	25,000	15,375	40,375
2014	30,000	14,343	44,343
2015	25,000	13,291	38,291
2016	30,000	12,218	42,218
2017	25,000	11,125	36,125
2018	30,000	10,018	40,018
2019	25,000	8,897	33,897
2020	30,000	7,763	37,763
2021	25,000	6,615	31,615
2022	30,000	5,453	35,453
2023	25,000	4,277	29,277
2024	30,000	3,088	33,088
2025	25,000	1,885	26,885
2026	<u>30,000</u>	<u>668</u>	<u>30,668</u>
	<u>\$525,000</u>	<u>\$206,490</u>	<u>\$731,490</u>

The annual requirements to pay principal and interest on the long-term debt outstanding at March 31, 2007, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2008	\$ 80,000	\$ 57,303	\$ 137,303
2009	80,000	54,601	134,601
2010	85,000	51,722	136,722
2011	80,000	48,755	128,755
2012	90,000	45,643	135,643
2013-2017	425,000	179,336	604,336
2018-2022	390,000	92,189	482,189
2023-2027	<u>230,000</u>	<u>19,510</u>	<u>249,510</u>
	<u>\$1,460,000</u>	<u>\$549,059</u>	<u>\$2,009,059</u>

TOWNSHIP OF DUNDEE

Notes to Financial Statements
Year Ended March 31, 2007

Note 9 Property Tax

The Township collects its own property tax and also collects taxes for the State of Michigan, Monroe County, Summerfield Schools, Ida Public Schools, Dundee Community Schools, Britton-Macon Schools, Monroe County Community College, Monroe County Intermediate School District and Lenawee County Intermediate School District. The Township levied 0.9329 mills for general operating, 0.7500 mills for the Fire Department and 0.9679 mills for roads for the 2006-2007 fiscal year. Taxable values, which amounted to \$291,348,711, represent a percentage of the fair market value of the assessed property. The Township also receives a portion of the millage levied on property subject to an industrial facilities tax exemption with a taxable value of \$148,441,187. Taxes are levied on December 1, 2006 based on assessment of property at December 31, 2005 and are due on February 14, 2007.

For the year ended March 31, 2007, the Township billed and retained \$150,773 as administrative fees for the above tax collection.

Note 10 Employee's Pension Plan

The Township adopted a defined contribution pension plan effective January 1, 2003. The plan provides for pension benefits for all elected officials and all other employees who work more than 20 hours per week. There are no minimum age or service requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the first day of the plan year or a month after the plan eligibility requirements are met. The plan requires the Township to contribute 10% of the employees compensation. Township contributions to the plan vest immediately for elected officials and are 100% vested after 3 years for all other employees.

During the current fiscal year, the Township contributed \$20,356 (10% of covered payroll) for the period April 1, 2006 to March 31, 2007. Covered payroll for this 12 month period was \$203,560. Total payroll for the current fiscal year was \$288,702. The Township also paid \$2,766 for administrative expenses.

Note 11 Compensated Absences

The Township does not have a policy of providing employees with vacation or sick pay.

Note 12 Building Department

The Township tracks building permit fees and their related costs in the General Fund. Fees for the fiscal year ending March 31, 2007, of \$31,444 did not exceed the related costs and administrative overhead.

Note 13 Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

Note 14 Urban Cooperation Agreement

The Township entered into an agreement on August 5, 1997 with the Village of Dundee, which will allow the Township to continue to levy Township millages on property transferred or annexed into the Village after the date of this agreement even if the Village were to become a city. The term of the agreement is for one-hundred (100) years.

TOWNSHIP OF DUNDEE

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2007*

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
Revenues				
Taxes and special assessments:				
Current tax collection	\$379,100	\$379,100	\$324,374	(\$54,726)
Penalty and interest on taxes	8,000	8,000	16,359	8,359
	<u>387,100</u>	<u>387,100</u>	<u>340,733</u>	<u>(46,367)</u>
Licenses and permits	41,700	41,700	32,294	(9,406)
State grants:				
State shared revenue	195,700	195,802	199,031	3,229
Charges for Services:				
Holcim supply agreement	25,000	30,000	22,125	(7,875)
Tax administration fee	120,000	120,000	150,773	30,773
Zoning and board of appeals fees	9,000	10,000	5,897	(4,103)
	<u>154,000</u>	<u>160,000</u>	<u>178,795</u>	<u>18,795</u>
Interest and rents:				
Interest income	6,500	10,500	9,537	(963)
Rental income	12,000	12,000	12,133	133
	<u>18,500</u>	<u>22,500</u>	<u>21,670</u>	<u>(830)</u>
Other revenue	10,600	11,455	11,381	(74)
Total Revenues	<u>807,600</u>	<u>818,557</u>	<u>783,904</u>	<u>(34,653)</u>
Expenditures				
Legislative:				
Township board	30,500	30,500	26,875	3,625
General Government:				
Supervisor	27,650	26,750	25,002	1,748
Elections	11,000	12,016	10,894	1,122
Audit	13,000	13,000	13,000	0
Assessor	90,800	85,550	79,877	5,673
Attorney	15,000	15,000	10,049	4,951
Clerk	43,550	43,450	42,357	1,093
Board of review	4,200	4,200	3,150	1,050
Treasurer	37,950	36,950	34,945	2,005
Township hall and grounds	69,300	65,300	54,464	10,836
Cemetery	23,200	22,050	22,062	(12)
	<u>335,650</u>	<u>324,266</u>	<u>295,800</u>	<u>28,466</u>

TOWNSHIP OF DUNDEE

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2007*

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
Expenditures (Concluded)				
Public safety:				
Fire protection	\$127,800	\$132,950	\$122,015	\$10,935
Building inspection	42,975	37,875	29,781	8,094
Ordinance enforcer	4,425	4,425	3,161	1,264
Planning commission	12,400	14,800	13,047	1,753
Board of appeals	1,400	1,400	519	881
Other protective services	600	600	600	0
	<u>189,600</u>	<u>192,050</u>	<u>169,123</u>	<u>22,927</u>
Public works:				
Drains at large	2,000	2,000	3,000	(1,000)
Civic betterment	32,000	28,000	27,158	842
Roads	40,500	40,500	32,161	8,339
	<u>74,500</u>	<u>70,500</u>	<u>62,319</u>	<u>8,181</u>
Recreation and culture:				
Recreation	1,000	500	455	45
Library	28,550	29,200	12,595	16,605
	<u>29,550</u>	<u>29,700</u>	<u>13,050</u>	<u>16,650</u>
Other:				
Social security	22,000	22,000	22,049	(49)
Pension	23,000	23,000	23,122	(122)
Insurance and bonds	40,500	42,604	41,054	1,550
	<u>85,500</u>	<u>87,604</u>	<u>86,225</u>	<u>1,379</u>
Total Expenditures	<u>745,300</u>	<u>734,620</u>	<u>653,392</u>	<u>81,228</u>
Excess (Deficiency) of Revenues Over Expenditures	62,300	83,937	130,512	46,575
Other Financing Sources (Uses)				
Operating transfers out	<u>0</u>	<u>0</u>	<u>(30,000)</u>	<u>(30,000)</u>
Net Change in Fund Balance	<u>62,300</u>	<u>83,937</u>	<u>100,512</u>	<u>16,575</u>
Fund Balance - Beginning of year	<u>301,610</u>	<u>301,610</u>	<u>373,764</u>	<u>72,154</u>
Fund Balance - End of year	<u>\$363,910</u>	<u>\$385,547</u>	<u>\$474,276</u>	<u>\$88,729</u>

TOWNSHIP OF DUNDEE

Fire Millage Fund *Statement of Revenues, Expenditures, and Changes in Fund Balance* *Budget and Actual* *Year Ended March 31, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$289,800	\$289,800	\$261,021	(\$28,779)
Interest	4,000	8,000	11,359	3,359
Total Revenues	293,800	297,800	272,380	(25,420)
Expenditures				
Public safety:				
Fire protection:				
Capital outlay	16,000	305,000	300,000	5,000
Capital lease payments	83,094	83,094	83,094	0
Total Expenditures	99,094	388,094	383,094	5,000
Net Change in Fund Balance	194,706	(90,294)	(110,714)	(20,420)
Fund Balance - Beginning of year	366,409	366,409	372,357	5,948
Fund Balance - End of year	<u>\$561,115</u>	<u>\$276,115</u>	<u>\$261,643</u>	<u>(\$14,472)</u>

TOWNSHIP OF DUNDEE

Meanwell/Eggert Road Water Debt Fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* *Budget and Actual* *Year Ended March 31, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessments	\$27,000	\$27,000	\$16,823	(\$10,177)
Interest	1,500	1,950	20,303	18,353
Total Revenues	28,500	28,950	37,126	8,176
Expenditures				
Debt Service:				
Bond principal	20,000	20,000	20,000	0
Bond interest	15,100	15,240	15,015	225
Other	0	0	225	(225)
Total Expenditures	35,100	35,240	35,240	0
Net Change in Fund Balance	(6,600)	(6,290)	1,886	8,176
Fund Balance - Beginning of year	185,091	185,091	198,915	(13,824)
Fund Balance - End of year	<u>\$178,491</u>	<u>\$178,801</u>	<u>\$200,801</u>	<u>\$22,000</u>

TOWNSHIP OF DUNDEE

Dixon Road Water Debt Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Year Ended March 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessments	\$24,000	\$24,000	\$13,440	(\$10,560)
Interest	620	770	11,426	10,656
Total Revenues	24,620	24,770	24,866	96
Expenditures				
Debt Service:				
Bond principal	15,000	15,000	15,000	0
Bond interest	10,500	10,500	10,390	110
Other	225	225	225	0
Total Expenditures	25,725	25,725	25,615	110
Net Change in Fund Balance	(1,105)	(955)	(749)	206
Fund Balance - Beginning of year	101,227	101,227	115,040	(13,813)
Fund Balance - End of year	<u>\$100,122</u>	<u>\$100,272</u>	<u>\$114,291</u>	<u>(\$13,607)</u>

TOWNSHIP OF DUNDEE

Irish/Meanwell Road Water Debt Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessments	\$38,000	\$38,000	\$30,651	(\$7,349)
Interest	260	1,140	23,686	22,546
Total Revenues	38,260	39,140	54,337	15,197
Expenditures				
Debt Service:				
Bond principal	25,000	25,000	25,000	0
Bond interest	21,000	21,201	20,951	250
Other	0	0	250	(250)
Total Expenditures	46,000	46,201	46,201	0
Net Change in Fund Balance	(7,740)	(7,061)	8,136	15,197
Fund Balance - Beginning of year	87,149	87,149	192,152	(105,003)
Fund Balance - End of year	<u>\$79,409</u>	<u>\$80,088</u>	<u>\$200,288</u>	<u>(\$89,806)</u>

TOWNSHIP OF DUNDEE

Wells Road Water Debt Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessments	\$24,000	\$24,000	\$11,776	(\$12,224)
Interest	140	340	16,190	15,850
Total Revenues	24,140	24,340	27,966	3,626
Expenditures				
Debt Service:				
Bond principal	15,000	15,000	15,000	0
Bond interest	13,487	13,487	13,486	1
Total Expenditures	28,487	28,487	28,486	1
Net Change in Fund Balance	(4,347)	(4,147)	(520)	3,627
Fund Balance - Beginning of year	48,016	48,016	139,707	(91,691)
Fund Balance - End of year	<u>\$43,669</u>	<u>\$43,869</u>	<u>\$139,187</u>	<u>(\$88,064)</u>

TOWNSHIP OF DUNDEE

Road Millage Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$379,100	\$379,100	\$336,792	(\$42,308)
Interest income	20,000	20,000	23,453	3,453
Total Revenues	399,100	399,100	360,245	(38,855)
Expenditures				
Capital projects:				
Roads	291,000	291,000	254,313	36,687
Net Change in Fund Balance	108,100	108,100	105,932	(2,168)
Fund Balance - Beginning of year	576,602	576,602	590,014	13,412
Fund Balance - End of year	<u>\$684,702</u>	<u>\$684,702</u>	<u>\$695,946</u>	<u>\$11,244</u>

TOWNSHIP OF DUNDEE

*Nonmajor Governmental Funds
Combining Balance Sheet
March 31, 2007*

	<u>Special Revenue Funds</u>		
	<u>Liquor Law Enforcement</u>	<u>Improvement Revolving</u>	<u>Cemetery Perpetual Care</u>
Assets			
Cash and cash equivalents	\$1,914	\$67,584	\$19,794
Certificate of deposit	<u>0</u>	<u>122,496</u>	<u>0</u>
Total Assets	<u><u>\$1,914</u></u>	<u><u>\$190,080</u></u>	<u><u>\$19,794</u></u>
Total Liabilities and Fund Balances			
Liabilities			
Due to other funds	<u>\$0</u>	<u>\$0</u>	<u>\$52</u>
Total Liabilities	0	0	52
Fund Balances			
Reserved for capital projects	0	0	0
Reserved for cemetery care	0	0	19,742
Reserved for Leib Cemetery	0	0	0
Unreserved - undesignated	<u>1,914</u>	<u>190,080</u>	<u>0</u>
Total Fund Balances	<u><u>1,914</u></u>	<u><u>190,080</u></u>	<u><u>19,742</u></u>
Total Liabilities and Fund Balances	<u><u>\$1,914</u></u>	<u><u>\$190,080</u></u>	<u><u>\$19,794</u></u>

Capital Projects Fund		Permanent Fund	
Irish / Meanwell Road Water Construction	Wells Road Water Construction	Leib Cemetery	Total Nonmajor Governmental Funds
\$2,023	\$2,030	\$401	\$93,746
0	0	7,000	129,496
<u>\$2,023</u>	<u>\$2,030</u>	<u>\$7,401</u>	<u>\$223,242</u>
\$0	\$0	\$470	\$522
0	0	470	522
2,023	2,030	0	4,053
0	0	0	19,742
0	0	6,931	6,931
0	0	0	191,994
<u>2,023</u>	<u>2,030</u>	<u>6,931</u>	<u>222,720</u>
<u>\$2,023</u>	<u>\$2,030</u>	<u>\$7,401</u>	<u>\$223,242</u>

TOWNSHIP OF DUNDEE

Nonmajor Governmental Funds *Combining Statement of Revenues, Expenditures, and Changes in Fund Balances* *Year Ended March 31, 2007*

	Special Revenue Funds		
	Liquor Law Enforcement	Improvement Revolving	Cemetery Perpetual Care
Revenues			
Licenses and permits	\$0	\$0	\$320
State grants	668	0	0
Interest	0	7,575	582
Total Revenues	668	7,575	902
Expenditures			
General government	0	0	3,120
Public safety	517	0	0
Total Expenditures	517	0	3,120
Excess (Deficiency) of Revenues Over Expenditures	151	7,575	(2,218)
Other Financing Sources (Uses)			
Operating transfers in	0	30,000	0
Total Other Financing Sources (Uses)	0	30,000	0
Net Change in Fund Balances	151	37,575	(2,218)
Fund Balances - Beginning of year	1,763	152,505	21,960
Fund Balances - End of year	<u>\$1,914</u>	<u>\$190,080</u>	<u>\$19,742</u>

Capital Projects Funds		Permanent	
Irish / Meanwell Road Water Construction	Wells Road Water Construction	Leib Cemetery	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$320
0	0	0	668
12	12	255	8,436
12	12	255	9,424
0	0	460	3,580
0	0	0	517
0	0	460	4,097
12	12	(205)	5,327
0	0	0	30,000
0	0	0	30,000
12	12	(205)	35,327
2,011	2,018	7,136	187,393
\$2,023	\$2,030	\$6,931	\$222,720

TOWNSHIP OF DUNDEE

*Liquor Law Enforcement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
State grants:				
Liquor license fees	\$650	\$670	\$668	(\$2)
Expenditures				
Public safety:				
Inspection fees	580	580	517	63
Net Change in Fund Balance	70	90	151	61
Fund Balance - Beginning of year	400	400	1,763	1,363
Fund Balance - End of year	<u>\$470</u>	<u>\$490</u>	<u>\$1,914</u>	<u>\$1,424</u>

TOWNSHIP OF DUNDEE

Improvement Revolving Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$14,500	\$1,500	\$7,575	\$6,075
Expenditures				
Other	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	14,500	1,500	7,575	6,075
Other Financing Sources (Uses)				
Operating transfers in	0	30,000	30,000	0
Net Change in Fund Balance	14,500	31,500	37,575	6,075
Fund Balance - Beginning of year	150,026	150,026	152,505	2,479
Fund Balance - End of year	<u>\$164,526</u>	<u>\$181,526</u>	<u>\$190,080</u>	<u>\$8,554</u>

TOWNSHIP OF DUNDEE

Perpetual Care Cemetery Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and permits	\$750	\$750	\$320	(\$430)
Interest	600	850	582	(268)
Total Revenues	1,350	1,600	902	(698)
Expenditures				
General government: Cemetery	4,000	4,000	3,120	880
Net Change in Fund Balance	(2,650)	(2,400)	(2,218)	182
Fund Balance - Beginning of year	21,885	21,885	21,960	75
Fund Balance - End of year	<u>\$19,235</u>	<u>\$19,485</u>	<u>\$19,742</u>	<u>\$257</u>

TOWNSHIP OF DUNDEE

Irish /Meanwell Road Water Construction Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2007

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Revenues				
Interest income	\$50	\$50	\$12	(\$38)
Expenditures				
Capital projects:				
Water district	0	0	0	0
Net Change in Fund Balance	50	50	12	(38)
Fund Balance - Beginning of year	2,000	2,000	2,011	11
Fund Balance - End of year	<u>\$2,050</u>	<u>\$2,050</u>	<u>\$2,023</u>	<u>(\$27)</u>

TOWNSHIP OF DUNDEE

Wells Road Water Construction Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended March 31, 2007

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Revenues				
Interest income	\$50	\$50	\$12	(\$38)
Expenditures				
Capital projects:				
Water district	0	0	0	0
Net Change in Fund Balance	50	50	12	(38)
Fund Balance - Beginning of year	2,000	2,000	2,018	18
Fund Balance - End of year	<u>\$2,050</u>	<u>\$2,050</u>	<u>\$2,030</u>	<u>(\$20)</u>

TOWNSHIP OF DUNDEE

Leib Cemetery Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended March 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$200	\$300	\$255	(\$45)
Expenditures				
General government: Cemetery	300	460	460	0
Net Change in Fund Balance	(100)	(160)	(205)	(45)
Fund Balance - Beginning of year	406	406	7,136	6,730
Fund Balance - End of year	<u>\$306</u>	<u>\$246</u>	<u>\$6,931</u>	<u>\$6,685</u>

TOWNSHIP OF DUNDEE

Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended March 31, 2007

	Balance March 31, 2006	Additions	Deductions	Balance March 31, 2007
Assets				
Cash	<u>\$118,330</u>	<u>\$13,908,773</u>	<u>\$14,023,699</u>	<u>\$3,404</u>
Liabilities				
Due to other governmental units	\$4,199	\$1,201,643	\$1,202,879	\$2,963
Due to taxing units	<u>114,131</u>	<u>12,707,130</u>	<u>12,820,820</u>	<u>441</u>
Total Liabilities	<u>\$118,330</u>	<u>\$13,908,773</u>	<u>\$14,023,699</u>	<u>\$3,404</u>



COOLEY HEHL
WOHLGAMUTH & CARLTON
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA
David K. Hehl, CPA
Robert W. Wohlgamuth, CPA
Peter H. Carlton, CPA
Matthew D. Hehl, CPA
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48161-2281
Telephone: (734) 241-7200 • Fax: (734) 241-2637
www.chwccpa.com

Members:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants
Division for CPA Firms American Institute of
Certified Public Accountants

Township Board
Township of Dundee
179 Main Street
Dundee, Michigan 48131

In planning and performing our audit of the financial statements of the Township of Dundee as of and for the year ended March 31, 2007, in accordance with auditing standards generally accepted in the United State of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

Manual Journal Entries

During the audit we noted that the clerk is the only employee responsible for creating and posting journal entries. Approval is not required and there is no evidence that the entries are being reviewed. We recommend that on a regular basis, the supervisor reviews all manual journal entries and provides evidence of the review process. This will strengthen the Township's internal control and help detect potential misstatements.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies constitute material weaknesses.

Financial Statements

The Township of Dundee does not have procedures in place to prepare financial statements in accordance with accounting principles generally accepted in the United State of America, including procedures to record accruals for revenues and expenditures, to track changes in capital assets, and to present required financial statement disclosures. As is the case with many smaller and medium-sized entities, the government has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes. As a result of this condition, the government lacks internal controls over the preparation of its financial statements in accordance with GAAP.

The following comments are not significant deficiencies or material weaknesses but are suggestions to improve your existing accounting and control systems.

Interfund Balances

During the audit, it came to our attention that the prior year's interfund payables were not paid. We recommend that the Township's various funds reimburse the General Fund for the balances owed.

This communication is intended solely for the information and use of the Board members, management, and others within the Township of Dundee and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script, reading "Carley Hohl Wohlgemuth & Carlton".

July 12, 2007